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RUEHBJ/AMEMBASSY BEIJING 1051  
RUEHEK/AMEMBASSY BISHKEK 3962  
RUEHDBU/AMEMBASSY DUSHANBE 3825  
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C O N F I D E N T I A L SECTION 01 OF 03 TASHKENT 001765

SIPDIS

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DEPT FOR PD, SCA/CEN, ASTANA FOR ALMATY/USAID

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SUBJECT: KOKAND TV STATION CAREFULLY MAKES PROFIT

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Classified By: Poloff Tim Buckley for reasons 1.4 (B, D)

¶1. (C) Summary. On October 3 poloff and visiting SCA/CEN desk officer visited the headquarters of Kokand TV, an independent television station that reaches an audience of one million in the densely populated Ferghana Valley. The owner noted that the station must compete with subsidized state channels, but profits have risen and the outlook for advertising revenue is strong. The GOU and local officials carefully monitor programming content and "do not tolerate much criticism", although the station still tries to offer "balance" in its own news segments and plans to air election-themed talk-shows. The director noted that public opinion among his viewing audience towards the United States remains positive despite world events and the recent chill in bilateral relations. The director cited increasing trade with China as a new source of wealth in the Ferghana Valley. The director also reported being called in for questioning by National Security Service (NSS) agents after poloff's visit. However, he still wants to maintain ties with the embassy. End summary.

#### BACKGROUND

¶2. (C) Kokand TV is an independent television station established in 2006 that branched off from the station Muloqot TV, which has operated since 1991. Bakhtior Rajapov, the Director, reported that almost every large city in Uzbekistan has an independent television station, and there are now two in Kokand. Rajapov (strictly protect) is involved with both stations. Rajapov credits the work of the USAID-funded groups Internews and the Eurasia Foundation (both were expelled from Uzbekistan) with helping to establish non-state television in Uzbekistan. Rajapov also recently traveled to Nevada on a USG-funded Community Connections exchange program, which opened his eyes to the potential of independent media. The station has steadily grown and now has a staff of 15. Rajapov, who is trained as an engineer, noted that the majority of Uzbeks working in broadcasting are not actually trained in the profession. An Association of Journalists was established four years ago in Uzbekistan, and Rajapov says the members have effectively studied international journalism standards and ethics. However, they do not have the freedom to make any major decisions as a professional body, which limits their effectiveness.

13. (C) Rajapov proudly discussed the station's efforts to convert to a digital format, which has helped it keep up with new technology and lower costs of organizing and broadcasting programs. He pointed out equipment which was provided by USAID and noted it has helped the station adapt and grow. From its base in Kokand City, the station reaches an estimated one million potential viewers, extending 70 kilometers to the east and 35 kilometers to the west (the shorter range is due to mountains). Some viewers are in nearby Tajikistan and Kyrgyzstan due to the irregular borders of the Ferghana Valley, but Rajapov does not have much information or interaction with viewers beyond the borders of Uzbekistan.

#### COMPETING WITH STATE TV

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14. (C) The term independent television in Uzbekistan refers to financing rather than to creative content. Rajapov notes that Kokand TV must fiercely compete with the state-run television channels. With state subsidies, the government channels can afford to purchase broadcasting rights for the extremely popular serial drama shows from Turkey, Korea, and Mexico, which are dubbed into Uzbek and shown in prime time. While Kokand TV cannot afford these programs, it focuses more on local creative content, which is appreciated by many viewers. This includes news programs that are broadcast a few times per week, and the station plans to air ten Embassy Democracy Commission-funded thematic talk shows on the upcoming elections, including "Vote Consciously" and "Registering Voters".

#### A SHORT LEASH

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15. (C) Rajapov described with frustration how independent

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television stations in Uzbekistan must obtain an annual registration from two different GOU agencies that regulate electronic mass media. The annual registration fee is approximately \$5,000, which is expensive for the business, but the process itself is onerous and a reminder that the government closely monitors the station. Rajapov described what he learned about how US television channels obtain broadcasting rights on his USG-funded program and lamented the contrast. He noted that the authorities "have very little tolerance for criticism, even of a mild nature", and that he regularly gets complaints from the local hokimiyat (regional government) about his broadcasts. However, he worries more about the national government and noted "they are very strict". Nonetheless, he tries to push the edge of the envelope when possible and strives "to achieve balance", but he was frank that this is on a limited basis and that he wants to keep his business viable.

16. (C) All privately owned television stations in Uzbekistan must become members of the National Association for Electronic Mass Media, which in turn requires that certain approved programs must be aired at certain times. Since Kokand TV split from the other station, first as a second channel and then as a separately registered station, the Kokand market is already able to watch the required content on the other station and Kokand TV has more latitude in airing alternate programming. This creative registration as a second station took place in 2006, so there will likely be more scrutiny when the station goes through the annual re-registration process.

#### TRADE WITH CHINA BOOSTING WEALTH IN VALLEY

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17. (C) The business outlook is good for Kokand TV, and Rajapov reports that revenues are much higher now for independent television stations compared to five years ago. He emphasized that the station marketing staff "aggressively

pursues advertisers and we have no problem finding them". Rajapov attributed the robust advertising industry to booming trade with China among residents of the Ferghana Valley, who obtain Chinese goods via Kyrgyzstan to sell in the bazaars. He also noted more Chinese investors and companies seem to be establishing offices in the Ferghana Valley. There is also now a direct flight from Ferghana City to Urumchi (as well as from Tashkent to Urumchi), which has increased the volume and perception of direct trade with China. Rajapov pointed out that "some people definitely have money in the Valley", which he said contributed to a steep rise in real estate prices. He said an apartment that would have cost \$5,000 in Kokand a few years ago now costs \$15,000, in part because "real estate is a better place to put money than banks".

#### TOUGH TIMES FOR MANY

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18. (C) On the other hand, Rajapov conceded that life is hard for many in his viewing audience, particularly in rural areas. He said problems in the Ferghana Valley could "spread like a fire" because there are many poor people in parts of three different countries who live in a densely populated area that is historically linked. The rising prices, including for real estate, make it harder for young couples to buy homes in urban areas, so they often stay in crowded rural households. He noted that mortgages are a concept that might work in Tashkent but are nonexistent in the Ferghana Valley. Poloff spoke with fruit vendors in a Tashkent bazaar who live in the Ferghana Valley and travel to the capital regularly to sell produce, and they described farm life "as very hard, very bad" due to rising prices.

#### GOOD WILL TOWARDS AMERICA

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19. (C) The Ferghana Valley is often described as the most conservative part of Uzbekistan, where Islamic terrorist groups may find adherents among the restive population. There are clearly more people wearing traditional, conservative clothing compared to other parts of Uzbekistan. However, Rajapov said his audience has a positive attitude towards the United States despite recent world events and the chill in bilateral relations. He noted that, more than any place else, people in the Valley still want to hear about

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America, watch American programs, and try to get a US visa. On this trip poloff traveled in Kokand, Margilon, and Ferghana City and met only hospitable people in bazaars and businesses who were excited to talk about America. Several asked where poloff was on September 11 and offered their sympathy. People feel that tourism is increasing, particularly at the traditional Yodgorlik Silk Workshop in Margilon, where busloads of foreign tourists come daily during the high season. Previously, Ferghana Valley residents felt far removed from the typical Tashkent - Samarqand - Bukhara tourist axis, so they appreciate the influx of foreign visitors. People noted that most visitors are European, but they hope to see more Americans.

#### SECURITY SERVICES FOLLOW UP

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110. (C) Poloff observed an undercover police car (with red lights embedded in the front grille) parked outside the restaurant where poloff and desk officer had lunch with Kokand TV staff. PAS spoke with Rajapov on October 9 and learned that NSS agents called him in for questioning shortly after poloff's visit. Despite this intimidation, Rajapov said his relationship with the embassy is important to him and he intended to continue contact. (Note: Embassy informed MFA via diplomatic note in advance of intended travel to Ferghana Valley but did not list Kokand TV as a destination. End note).

COMMENT

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¶11. (C) Despite NSS surveillance, the trip was productive and yielded valuable insight on two points. First, USG-funded projects like Kokand TV continue to bring tangible benefits to residents, even after the bilateral relationship soured, and appear to be tolerated by the government. Second, the economic picture in the Ferghana Valley appears as mixed as elsewhere in Uzbekistan. New wealth is being created, goods previously not available or hard to find may be more abundant, and yet at the same time for many people life has become terribly difficult.

NORLAND